Advanced Analog Technology, Inc.

Procedures for Lending Funds to Others

Article 1 Purpose

If the Company needs, due to business requirements, to lend funds to other companies (hereinafter referred to as the "Borrower"), such lending shall be conducted in accordance with these operating procedures. Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations.

Article 2 Targets for Fund Lending, Total Lending Amount, and Limits for Individual Borrowers

1. Lending Targets under Company Law

The Company's funds shall not be lent to shareholders or any other parties, except under the following circumstances:

(1) Companies that have business dealings with the Company; the term "business dealings" refers to companies engaged in purchasing from or selling to the Company.

(2) Companies that require short-term fund financing with the Company. The term "short-term fund financing" refers to cumulative short-term financing balances with the Company, which shall not exceed 40% of the borrower's net worth. However, fund lending between foreign subsidiaries wholly owned directly or indirectly by the Company, or from such subsidiaries to the Company, shall not be subject to the above restriction.

The term "short-term" refers to a period of one year or one business cycle, whichever is longer.

2. Total Lending Amount and Limits for Individual Borrowers

The total amount of funds lent by the Company to others shall not exceed 40% of the Company's net worth.

(1) For companies with business dealings, the total lending amount shall not exceed 20% of the Company's net worth, and the individual lending amount shall not exceed the higher of the business dealings amount from the most recent year or 10% of the Company's net worth. The term "business dealings amount" refers to the higher of the purchase or sales amount between the two parties.

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(2) For companies requiring short-term fund financing, the total lending amount shall not exceed 20% of the Company's net worth, and the individual lending amount shall not exceed 10% of the Company's net worth.

3. Determination of Net Worth

The net worth shall be based on the most recent financial statements audited or reviewed by certified public accountants.

Article 3 Loan Term and Interest Calculation Method

1. The loan term shall be determined based on the individual financing counterparty and the credit amount, and shall be executed upon approval by the Board of Directors. The maximum term shall be one year or one business cycle (whichever is longer). If an extension is required due to actual needs, an application shall be submitted one month prior to maturity, limited to a single extension, and the total loan term shall not exceed one year. After approval by the Board of Directors, relevant procedures shall be reprocessed. However, for loans granted to foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or loans from such foreign companies to the Company, the maximum loan term shall be two years.
2. The calculation of loan interest shall be based on an interest rate not lower than the average short-term lending rate announced by the Company's correspondent banks on the date of borrowing. As a principle, loan interest shall be collected monthly. In special circumstances, adjustments may be made according to actual needs, subject to the approval of the Board of Directors.

Article 4 Review Procedures

I. Application Procedures

(1) The borrower shall provide basic and financial information and complete a financing application form or promissory note, stating the purpose, amount, and term of the loan, and submit it to the Company's Finance Department.

(2) For loans related to business dealings, the Finance Department shall assess whether the loan amount is appropriate relative to the business transaction amounts. For short-term financing needs, the reasons and circumstances for the loan shall be detailed. The necessity

and reasonableness of the fund lending shall be evaluated, and a credit investigation conducted. All relevant materials and proposed lending conditions shall be submitted to the Finance Department supervisor and the General Manager before being presented to the Board of Directors for approval.

(3) When lending funds to others, the opinions of independent directors shall be fully considered. Any objections or reservations from independent directors shall be recorded in the Board meeting minutes.

II. Credit Investigation

(1) First-time borrowers shall provide basic and financial information for the credit investigation.

(2) For continuing borrowers, a new credit investigation shall generally be conducted upon application for renewal. For urgent or significant matters, investigations may be conducted as needed.

(3) If the borrower's financial status is sound and the annual financial statements are audited by a certified public accountant, the investigation report not older than one year may be reused along with the auditor's report as reference for lending.

(4) During the credit investigation, the Company shall also assess the impact of the fund lending on the Company's operational risk, financial condition, and shareholders' equity.

III. Loan Approval and Notification

(1) After the credit investigation and evaluation, the Finance Department shall prepare a proposal along with the financing application or promissory note, submit it to the General Manager for approval, and then present it to the Board of Directors for resolution before lending. The responsible staff shall promptly notify the borrower of the loan conditions, including the amount, term, interest rate, collateral, and guarantor, and request the borrower to complete the contract formalities within the specified period.

(2) For applications rejected by the Board of Directors, the responsible staff shall promptly inform the borrower with reasons for refusal.

IV. Contract Signing and Verification

(1) Loan contracts shall be drafted by the responsible staff, reviewed by the Finance

Department supervisor, and submitted to legal counsel for review prior to signing.

(2) Contract terms must match the approved loan conditions. After the borrower and guarantor sign and seal the contract, the responsible staff shall complete contract verification procedures.

V. Collateral Valuation and Rights Registration

For fund lending, equivalent collateral promissory notes shall be obtained. When necessary, movable or immovable property shall be mortgaged. If the debtor provides a personal or corporate guarantor with sufficient financial strength and credit in place of collateral, the Board of Directors may approve it based on the credit investigation report. For corporate guarantors, it must be verified that the articles of incorporation allow for guarantee obligations.

VI. Insurance

(1) Except for land and securities, collateral shall be insured against fire and related risks. Insurance coverage shall be no less than the value of the collateral, with the Company named as the beneficiary. The insured items, quantity, location, terms, and endorsements must match the original loan approval conditions.

(2) Responsible staff shall notify the borrower to renew insurance before expiration.

VII. Disbursement

After the loan conditions are approved, the borrower signs the contract, and all collateral registration and related procedures are verified, funds may be disbursed in accordance with the contract.

Article 5 Repayment

1. After a loan has been disbursed, the borrower's and guarantor's financial, business, and credit conditions should be monitored regularly. If collateral has been provided, attention should also be paid to any changes in its value. All approved loan cases shall be centrally kept by the Finance Department, which shall notify the borrower one week before the loan's maturity to settle the principal and interest according to the contract.

2. When the borrower repays the loan at maturity, the payable interest shall first be calculated. Only after both the principal and interest are fully repaid may promissory notes, IOUs, or other debt instruments be canceled and returned to the borrower.
3. If the borrower applies for the cancellation of a mortgage, it must first be verified whether any loan balance remains before deciding whether to approve the cancellation.

Article 6 Registration and Custody of Cases

1. When the Company handles fund lending matters, a reference book shall be established. The counterparties, amounts, dates of board approval, dates of fund disbursement, and matters that should be prudently evaluated in accordance with these operating procedures shall be recorded in detail for reference.
2. For loan cases, the responsible personnel, after disbursement, shall organize the contracts, promissory notes, debt instruments, collateral documents, insurance policies, and correspondence in order, place them into a custody envelope, indicate the contents and customer name on the envelope, and submit them to the Finance Department supervisor for inspection. Once verified without error, the envelope shall be sealed. Both parties shall sign or affix their seals in the custody register before storage.
3. If any debt becomes overdue and remains uncollectible despite collection efforts, legal action shall be taken immediately against the debtor to safeguard the Company's rights and interests.

Article 7 Matters Requiring Attention in Handling Loans to Others

1. Before the Company lends funds to others, it shall prudently evaluate whether the transaction complies with these operating procedures. Together with the evaluation results, the matter shall be submitted to the Board of Directors for resolution. No other person may be authorized to make such decisions.
2. Loans between the Company and its subsidiaries, or between subsidiaries of the Company, shall also be submitted to the Board of Directors for resolution in accordance with the preceding paragraph. The Board of Directors may authorize the Chairman to disburse funds in installments or on a revolving basis to the same

counterparty within a certain amount and within a period not exceeding one year, as resolved by the Board. Except for cases meeting the proviso of Article 2, Paragraph 1, Subparagraph 2, the authorized loan amount from the Company or its subsidiaries to a single enterprise shall not exceed 10% of the net worth of the Company or its subsidiaries, based on the most recent financial statements.

3. The Company's internal auditors shall audit the procedures and execution of loans to others at least quarterly and prepare written records. If any material violations are found, written notification shall be immediately submitted to the Audit Committee.
4. If, due to changes in circumstances, the loan counterparty no longer meets the requirements of these Guidelines or if the balance exceeds the limit, the audit unit shall supervise the finance and accounting department to set a deadline for recovering the excess loan. An improvement plan shall be submitted to the Audit Committee and reported to the Board of Directors, with improvements completed according to the plan's schedule.
5. The responsible personnel shall compile the loan reference book for the previous month by the 10th day of each month and submit it for review through the appropriate levels.

Article 8 Control Procedures for Loans to Others by Subsidiaries

1. If a subsidiary of the Company intends to lend funds to others, it shall also establish operating procedures and handle the transactions in accordance with these procedures; however, the net worth shall be calculated based on the subsidiary's net worth.
2. The subsidiary shall compile the loan reference book for the previous month by the 10th day of each month and submit it to the Company for review.
3. The subsidiary's internal auditors shall audit the procedures and execution of loans to others at least quarterly and prepare written records. If any material violations are found, written notice shall be immediately submitted to the Company's audit unit, which shall forward the documentation to the Audit Committee.
4. When the Company's auditors conduct audits at the subsidiary according to the annual audit plan, they shall also review the subsidiary's implementation of the loan procedures. If any deficiencies are found, the improvement process shall be continuously tracked, and a follow-up report shall be prepared and submitted to the

General Manager, the Audit Committee, and the Board of Directors.

Article 9 Information Disclosure

1. The Company shall input the previous month's loan balances of the Company and its subsidiaries into the Market Observation Post System (MOPS) by the 10th day of each month.
2. If the Company's loans meet any of the following criteria, the information shall be entered into MOPS within two days from the date of occurrence:
   (1) The balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company's most recent financial statement net worth.
   (2) The balance of loans to a single enterprise by the Company and its subsidiaries reaches 10% or more of the Company's most recent financial statement net worth.
   (3) The amount of a new loan by the Company or its subsidiaries reaches NT$10 million or more and 2% or more of the Company's most recent financial statement net worth.
3. The "date of occurrence" referred to in the preceding paragraph means the earliest of the following dates: the contract signing date, payment date, board resolution date, or any other date sufficient to determine the counterparty and transaction amount.
4. If a subsidiary of the Company is not a publicly listed domestic company, any matters under Subparagraph 3 of the preceding paragraph that require disclosure shall be reported by the Company on behalf of the subsidiary.
5. The Company shall evaluate the loan situation and make adequate provisions for bad debts in accordance with generally accepted accounting principles, appropriately disclose related information in the financial reports, and provide relevant information to the certified public accountant to perform necessary audit procedures.

Article 10 Penalties

If the Company's managers or responsible personnel violate these operating procedures, they shall be subject to evaluation and disciplinary action in accordance with the Company's relevant personnel management regulations and work rules, with penalties imposed according to the severity of the violation.

Article 11 Implementation and Revision

The formulation or revision of these procedures shall be approved by more than half of all members of the Audit Committee and submitted to the Board of Directors for resolution.

If the preceding approval by more than half of all members of the Audit Committee is not obtained, the procedures may be adopted with the approval of at least two-thirds of all directors, and the Board meeting minutes shall record the Audit Committee's resolution.

When these operating procedures are submitted to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses objection or reservation, it shall be recorded in the Board meeting minutes.

Article 12 These operating procedures were established on June 29, 2004.

The first revision was on May 27, 2008.

The second revision was on May 27, 2009.

The third revision was on June 9, 2011.

The fourth revision was on June 19, 2013.

The fifth revision was on June 25, 2019.